



CENTRELINK AND BANK DEPOSITS

Deposits can affect your Centrelink payments, possibility resulting in a debt or a change in your eligibility and rate of payment.

This Factsheet explains what you should do if deposits are made into your bank account.

What is a deposit?

This may be in the form of a cash deposit, cheque deposit or an electronic transfer into your bank account.

Money was deposited into my bank account. What should I do?

You must tell Centrelink **within 14 days** of receiving the deposit. No matter how small the sum may be, it is best to be safe and notify Centrelink about it. You must also clearly explain the source of the deposit, that is, who made the deposit and why.

You should notify Centrelink as soon the deposit is made into your bank account. Failure to do so may cause you serious problems in the future.

Will Centrelink treat the deposit as income?

It depends on the source of the deposit. Here are some examples:

Deposits deemed as income	Deposits not deemed as income
<ul style="list-style-type: none"> • Sale of items or property • Money for work you have done 	<ul style="list-style-type: none"> • Repayment of a loan • Inheritance money • One-off gift

If Centrelink decides that the deposit should be treated as income, a debt could be raised. The deposit could also result in your payment being reduced or cancelled.

Even if the deposit is not treated as income, Centrelink may decide that it is an **asset**. This means that this deposit can still affect the calculation of your rate of payment.

IF YOU ARE UNABLE TO CLEARLY EXPLAIN AND PROVIDE EVIDENCE ABOUT THE SOURCE OF THE DEPOSIT INTO YOUR BANK ACCOUNT, CENTRELINK WILL MOST PROBABLY TREAT IT AS INCOME.

What can happen if I don't tell Centrelink about the deposit?

If you have not told Centrelink about the deposit, Centrelink will very likely treat it as income.

Centrelink has very wide powers to thoroughly investigate deposits that have been made into your account. For example, it has the power to obtain your information from other government agencies as well as accessing information from banks, building societies and credit union accounts. It can do this without your prior consent.

Centrelink's investigation is not limited to recent deposits. It may also look into deposits made many years ago. You do not have to answer questions about deposits made in the past. You should get legal advice before doing so.

How does Centrelink calculate the debt?

Centrelink will average out the deposit over one year from the date it entered into your account. These figures will be used as part of the income test to calculate the correct rate of your Centrelink payment. Therefore, if you received the deposit within the last year, depending on the amount, Centrelink may reduce or cancel your payment in addition to raising a debt.

Can I get rid of the debt?

Getting rid of debts in these circumstances is extremely difficult. You will be required to pay off the debt, unless you can provide evidence that the deposits should not be treated as income. This can

be very tricky to prove, particularly if the deposits were made a long time ago. Centrelink often provides a list of unexplained deposits. You may need to lodge a Freedom of Information request with Centrelink to see which documents or information Centrelink relied on to raise the debt.

Below is a guide to the types of evidence that you should provide Centrelink:

Type of deposit	Evidence
<i>Inheritance</i>	Copy of the will; or letter from a solicitor or executor of the estate confirming that you have inherited the money.
<i>Money from sale of something you owned e.g. car</i>	Receipt or statement from the buyer confirming when and how much they paid you.
<i>Repayment of loan</i>	Statement from the person who borrowed the money from you confirming: when you lent it to them; the loan amount; when and how much they repaid you.
<i>Gift</i>	Statement from the person confirming the deposit is a gift, how much the gift was, when it was made and the nature of their relationship with you.
<i>Payment from an insurance company</i>	Document from the insurance company confirming how much they paid you and date of payment.

It is very important that you are **honest and accurate** when explaining the source of any deposit. If you provide an inconsistent story or conflicting information, it is unlikely that Centrelink or the Administrative Appeals Tribunal will accept your explanation or version of events. Also, providing false information may result in the debt increasing and you risk criminal prosecution.

Appeal rights

If your Centrelink payment is **reduced or cancelled**, you have the right to appeal the decision to an Authorised Review Officer. You should seek legal advice before appealing the decision. If you do appeal and you are unhappy with that decision, you have the right to appeal to the Administrative Appeals Tribunal. You will need to lodge an appeal within **13 weeks** of the date of the previous decision to ensure that, if successful, you receive back pay.

If Centrelink raises a **debt**, there is **no time limit** to appeal the debt. You should contact your local Welfare Rights service for further legal advice before lodging an appeal.

Criminal Prosecution

If Centrelink believe that you have deliberately withheld information or provided them with false information about the deposit, they can refer your debt matter to the Commonwealth Director of Public Prosecutions ('CDPP'). The CDPP will then consider whether or not you should be charged with the crime of social security fraud.

Any information you provide to Centrelink about the deposits or during the process of appealing a debt can be used to support a referral to the CDPP for prosecution.

Centrelink may send you a letter to notify you that it is investigating your matter for possible prosecution. Centrelink may invite you to attend a taped interview or make a statement. We strongly recommend that you seek criminal law advice from your local Legal Aid office before attending or making any statements. You can contact LawAccess NSW on 1300 888 529.

THIS FACTSHEET CONTAINS INFORMATION ONLY. IT MUST NOT BE RELIED ON AS LEGAL ADVICE. YOU SHOULD SEEK LEGAL ADVICE ABOUT YOUR PARTICULAR MATTER FROM THE WELFARE RIGHTS CENTRE.